

MINUTES  
FOR THE  
SPECIAL MEETING  
OF THE  
BOARD OF DIRECTORS  
OF THE  
CHESTER PUBLIC UTILITY DISTRICT

DATE OF MEETING: March 16, 2021 and March 17, 2021  
TIME OF MEETING: 1:00pm  
PLACE OF MEETING: Chester Public Utility District Building  
251 Chester Airport Rd  
Chester, California

March 16, 2021

Board Members present: Directors Joe Waterman, Royce Raker, Steve Graffweg, Steve Trotter and Steve Voboril.

Staff: 5

Guests: none

1. **Call to Order @ 1:05pm** by Director Waterman

2. **Public Comment:** none

*Delay in start of webinar until 1:10pm.*

3. **CSDA Webinar: Budget Workshop DAY 1: Exhibit A**

**Course Objectives:** Monitoring the Budget. What to do if the Budget gets off track. Get people involved in monitoring. Performance measures. Strategies to guide decision making.

**Best Practices:** Incorporate A long-term perspective. Broad organizational goals. Provided incentives. Communication. Generational expenses. Profits are your investment into ourselves. Go to debt rather than use reserves. Work life balance, IFT, do I have enough people? Forest, trees, weeds.

**Mission of the Budget Process:** Helps to make informed choices. Depreciation times 2 or 3 to calculate replacement costs.

**What is a Budget:** Internal and external plan to allocate gov. resources. The outcome is desired by community, entity being service.

**Year-Round Process:** budget creation vs monitoring. Keeps on track. Someone needs to be in charge. Collect and analyze with a deep dive with a good finance and operational mind.

**The Budget Process:** Set priorities. Think ahead 5,10,20 years. Identify resources, incoming grants etc. Allocate resources. Monitor Budget. Measure Performance.

*Recess: 2:00pm*

*Reconvene: 2:07pm*

**Board and Stakeholder participation:** identify with their concerns. Obtain support overall. Seek acceptances of the decisions. Report to the public.

**Four Principles:** Establish Broad Goals (brainstorm), Develop Approaches(strategies), Develop Budget (prop 218?) Use a consultant if needed. Evaluate Budget Performance, make adjustments.

**Cash Basis Budget:** Stay out of the Weeds, take an overall aspect. Cull chart of accounts. Build rate for the "debt" as well. Also build the rate to replace "reserves". Raise rates annually. To justify COLA on everything, (inflation).

*Recess: 2:55pm*

*Reconvene: 3:02pm*

**The Budget Monitoring Best Practices:** Does it make sense? Have to look back to see where we are going. Devil in the details for BASE only, not the variables. Create a narrative that explains the raise in charges. Think how can we do business better; Technology? Work Remotely? Takes only 45 days to change a rate due to an extreme repair event.

*Day-one Webinar ended @ 3:50pm.*

*Adjourned until 3-17-2021 @ 1:00pm*

*Day-two Webinar reconvened: 3-17-2021 @ 1:00pm*

Board Members present: Joe Waterman, Steve Trotter and Steve Graffweg.

Board Members absent: Royce Raker and Steve Voboril.

Staff: 3

**Day 2: Exhibit B**

**The Doctor Will See You Now: Assessing Your District’s Fiscal Health**

**Reserves and Long-Term Forecast:** Fund Timing, remember to build a reserve for the “dry period”. Create a Target for reserves or debt funding. When building budget, a loan is new money and an expense, book it. Make the budget a compact dashboard (Compartmentalize). A) Operational Needs. B) Debt or reserves C) Capital Needs: earthquake reserves, pension reserves, 5 years replacements costs, vacation payables etc. Reserve category is not a budget category. Think of it as a “Giving Thermometer”

*Recess @ 2:01pm  
Reconvene @ 2:06pm*

The instructor mentioned the CSDA Conference August 31<sup>st</sup> in Monterey California.

**Create a Long-term reserves Policy:** 1 or 2-year operating revenues. How do we meet Capital Needs without debt? Board Goals? Community Connections? Sustainability? Safe? Secure? Life-Balance: retain good people. Reviewing 1 year is a comparison. Reviewing 3 years is looking for trends. Build Theories. Don’t look too hard at other similar Districts because you may not get the “apples to apples” results you were hoping for as there are too many unknown variables. Avoid overemphasis. “Keep it Simple”

**Performance Measures:** examples: response times. Activities that impact finances. Performance measurement groups. External factors that impact function: Drought, New developments, New State Regulations, COVID etc.

*Webinar ends @ 2:49pm.*

Director Waterman said he got more out of day one than day two, but all in all a worthwhile webinar. Most agreed. Director Waterman also stated that the Finance Committee will be pulling together for budget as it nears. He stated that there is a Finance Committee Meeting at 10:00am and a Special Meeting at 3:00pm on Tuesday, 3-23-2021.

**4. Comments:**

Directors: none  
Staff: none

**5. Adjournment:** Director Trotter made a motion to adjourn at 2:50pm. Director Waterman seconded the motion. Hearing no objections, meeting adjourned.

Cheryl Johnson, CPUD Clerk to the Board

Approval of Minutes:

